EXHIBIT C

Notes on the meetings with BBA LIBOR contributor banks, ahead of the 2005 panel review.

A summary

- The current rate setting process is efficient.
- In general, BBA LIBOR is a healthy, well used product, although BBA Euro LIBOR has lost ground to Euribor. Nobody we have visited has any bright ideas on how to fix this, as banks on the continent will generally choose their local fix.
- There is consensus amongst banks that Sterling LIBOR and US Dollar are being set 3 - 4 basis points above the true cash rate. There is a definite split in how this is viewed. Those banks whose main business is in derivatives or loans are perfectly happy with this, as it is to their advantage. Those more active in the cash market regard this as a problem that must be addressed. The third, and easily the largest group recognise this effect, but see it as a construct of the market and are unconcerned about it.
- The BBA needs to enlist the help of panel banks to create and publish a series of disaster recovery scenarios for how we will continue to set LIBOR. These should be graded in order of severity, so that in the event of a disaster, the BBA can communicate succinctly how it will react, without surprising the market.
- The ambiguity in the current LIBOR definition ("inter-bank offers *in reasonable market size just prior to 1100"*) should be retained. A precise definition will lead to claims and counter claims that banks are not sticking to it, and also would require constant change, as the exact definition of reasonable market size changes, depending on prevailing market conditions.
- There is a split on the matter of the BBA introducing further LIBOR currency calculations. Some banks feel this will lead to increasing liquidity and transparency in a market. Others fear this will attract complaints from banks who cannot match the rates in the new currency, either because there is insufficient liquidity, or because as international banks, they can't get the same rates as locals.
- There is no appetite for any other brand new products from the BBA. Banks will ask if they see a need.
- BBA Euro LIBOR follows EURIBOR. This is not a fault of the BBA, and there is not a lot the BBA can or should try to do about it, as banks on the continent will naturally choose their "local" rate. The two rates apparently don't diverge until around the third decimal place.

Notes from individual banks

- These notes are ordered as responses to the agenda we took to each bank. A copy of this is attached as Appendix A.

Bank: **Bank of America**
Attendees: Daniel Knight, Senior Trader, International Treasury
Date: 08/06/05
Contributors to: EUR, GBP, JPY, USD
Notes:

1) The rate setting process is currently efficient.

2) However, he likes the EURIBOR process, with its extremely broad contributing panel, although he concedes that many of these contributors are small banks that do not add much value to the process.

3) The GBP and USD LIBOR are set 3-4 basis points above the actual cash rate each day.

Would actively support new technology/process as recommended by Moneyline to improve the daily rate collection process.

He feels the BBA should make the effort to visit all contributors regularly – perhaps every 6 months – to discuss issues before they become problems.

4) No comments

5) BofA has detailed plans for disaster recovery. Dan recommends that in the event of the BBA being unable to get rates from all of a panel, we should set the rate based on a straight average of as much information as we can get.

6) He will ask around his colleagues and revert to us.

Bank: **Credit Suisse First Boston**
Attendees: Tony Miller - Director, Fixed Income. Alan White – VP, Fixed Income
Date: 08/06/05
Contributors to: CHF, EUR, USD
Notes:

1) The BBA LIBOR panel process itself is OK.

2) The GBP and USD LIBOR are set 3-4 bp too high each day. This is a major problem, and must be fixed. They submit their true rates each day, and believe that most days they are knocked out of the rate setting process in the topping-and-tailing process, as many other banks are contributing inflated rates.

3) They advise us to collect all the individual rates submitted each day and analyse these. They accept that different banks have different costs of capital, but suspect certain banks may be quoting high or low depending on the shape of their book or loan portfolio at a given point in time. They believe the BBA should be actively trying to close this gap between "real" rates and those contributed by panel banks.

4) Recommends that the FX & MM panel should be expanded and meet more often, either every three or six months. Also, membership should be corporate rather than individual, so the appropriate person from each bank can attend to give input on their areas of expertise. If we constituted and then published the FX & MM panel membership on this basis it would give

banks a degree of prestige and they would be eager to join. (nb - you also offend any bank not offered a seat).

5) No comments

6) We should create definitions of kinds of disaster and set our responses to these. For example the reaction to a "minor" disaster might be to set LIBOR 3 hours later, thus allowing any panel bank unable to contribute from London the opportunity to supply rates from their US office.

They would welcome additional currencies, and note that it is normally the first to market that ends up dominant in such products.

Bank: **HSBC**
Attendees: Jon Wood – MD of Balance Sheet Management, Mike Wareham and Paul Bellinger - Associate Directors of Balance Sheet Management
Date: 08/06/05
Contributors to: CAD, CHF, DKK, EUR, GBP, JPY, NZD, USD
Notes:

1) They note that GBP and USD LIBOR are set 3-4 above the actual cash rate each day, but Euro LIBOR is representative.

2) They state that HSBC sets its position against cash each day, there is no interaction between the cash team and the FX or swaps team. However, they suspect that certain nameless contributors might be setting their rates with an eye on their derivatives book.

They observe that there is not much liquidity in the market for quotes beyond 6 months.

3) The panels of contributors are as wide as they should be, there is no value in inviting further contributions as LIBOR already captures almost all the liquidity in the market.

In accordance with IS39 regulations, more banks are writing paper, taking liquidity out of the market, thus there is a lot less volatility in Sterling LIBOR. Also, banks are increasing the assets on their balance sheets.

They will be very happy to help us construct the timetable for setting BBA LIBOR over Christmas (BBA gets lots of questions about exactly what is fixed when and when maturity falls around xmas, so traditionally we release a timetable in early December. Ahead of release we ask a few panel banks if they agree with our timetable)

4) No comments.

5) If there is a reduced number of contributors available, all contributions should go into the rate setting process. If there are not enough banks for a representative fix, we shouldn't fix until there are.

6) No comments.

Bank: **Barclays**
Attendees: Richard Pattinson – Senior Director Treasury.
Date: 08/06/05
Contributors to: CHF, DKK, EUR, GBP, JPY, USD
Notes:

1) Happy with the process.

2) Notes that GBP and USD LIBOR are higher than the true position, but regards this as the way the market is. Emphatically stated that the BBA should not step in to attempt to influence this.

If someone is bidding artificially high or low on a regular basis, this is market abuse, and therefore not a matter for the BBA, who have no regulatory authority. It is a matter for the tri-partite authority.

3) Feels that creating exact definitions of reasonable market size and setting a precise time for rate setting will only open panel banks to challenges on their rates.

4) No comments

5) No comments

6) Does not feel that creating new product will lead to their use. Fears that if we attempt to set a rate in an illiquid currency we will attract complaints from market participants who cannot match the rate.

Bank: **JP Morgan Chase**
Attendees: Dave Lally – Managing Director. Fred Mouchel.
Date: 09/06/05
Contributors to: AUD, CAD, CHF, DKK, EUR, GBP, JPY, NZD, USD
Notes:

1) The BBA LIBOR fixing process works well.

2) Notes that GBP and USD LIBOR are higher than the true position, but everyone in the market knows this, and prices accordingly. Do not want the BBA to attempt to "correct" this.

The Euro LIBOR rate may be too close to the true market price, although this may be due to the amount of liquidity in the market.

The cash market is shrinking. This is due to the increasing use of derivatives – you can cover a 12 month position with a lower capital requirement using a derivative as opposed to a cash loan.

They suspect that certain banks that contribute to both Euribor and BBA Euro LIBOR may be setting their Euro rate at 10.00am London time for Euribor, then contributing the same rate 1 hour later to the BBA.

3) The definition of BBA LIBOR is just fine as it is.

4) JP Morgan would encourage discussion of Bank of England operations reform at the forthcoming FX & MM panel.

5) In the event of a disaster, as few as 4 banks could constitute a panel for fixing BBA LIBOR,

In no circumstances should LIBOR rates from a previous fix be carried over. It is much better to have no fixing. This is because you can always hedge against future settings, but not those in the past.

It was agreed that JP Morgan would send us sample blanks of loan agreements, which will contain the details of their contingency if there is no BBA LIBOR fixing at 11.00am.

6) JP Morgan would be keen to encourage more use of LIBOR fixes in contracts, particularly in minor currencies, as these rates are easier for international banks to match than the local fixes, as well as having the guarantee of transparency and impartiality offered by BBA LIBOR.

In principle they support the creation of BBA LIBOR for further European currencies, but they have worries about the amount of liquidity in these markets

Bank: **Bank of Tokyo-Mitsubishi**
Attendees: Nobuyuki Kobayashi – Asst. General Manager, Head of Portfolio Management.
Date: 14/06/05
Contributors to: CHF, EUR, GBP, JPY, USD
Notes:

1) The BBA LIBOR fixing process works well.

2) The change of definition has made the information that has to be submitted to the review harder to gather, but this is not a problem.

3) He observed that sometimes BBA LIBOR quotes are high because they are set by the treasury function within a bank that then goes on to use the BBA LIBOR rate internally in the bank. In these cases the treasury dept. can make extra profit by charging other departments in the bank itself at that artificial rate!

4) No comments.

5) In the event of a disaster, as few as 4 banks could constitute a panel for fixing BBA Yen LIBOR, as the quotes are all so tight.

BTM needs LIBOR to be set every day, it is better for them that there is a quote of some sort than no quote at all. BTM has a live back-up in Paris in case of any interruption of service in London.

6) Apparently SMBCE have been told to scale back their UK activity by the FSA due to an inadequate capital base. Mr Kobayashi wondered if their market activity has dropped.

Bank: **HBOS**
Attendees: Ian Fox – head of funding and liquidity, Phil Rawlins – Head of Money Markets
Date: 14/06/05
Contributors to: AUD, CAD, EUR, GBP, USD
Notes:

1) The BBA LIBOR fixing process works well. As the market standard, BBA LIBOR is well understood.

2) Some companies will quote rates to suit their current position. It has always been the way.

3) BBA LIBOR is just fine as it is.

4) If we want to ensure that those in a position of power continue to attend FX & MM meetings, don't move them to standing quarterly or half yearly basis, as the key people won't attend. Only set up extra meetings if there is a relevant issue to discuss.

5) HBOS would support the BBA's efforts to set up a business continuity plan

6) HBOS sees no internal need for further products.

Bank: **Royal Bank of Canada**
Attendees: Mark Lowings, MD Money Markets, Harry Samuels MD RBC Capital Markets
Date: 15/06/05
Contributors to: CAD,DKK, EUR, GBP
Notes:

1) The BBA LIBOR fixing process works well. Currently the spreads are very tight, as there is very little volatility in the market. This is a good thing, as there's les room for argument about what the true rate is.

2) Continues to see cash activity decline and the use of derivatives increase

3) BBA Euro LIBOR follows EURIBOR. This is not a fault of the BBA, and there is not a lot the BBA can or should try to do about it, as banks on the continent will naturally choose their "local" rate.

4) No comments

5) RBC have god business continuity plans. They feel that the minimum number of banks needed to form a quorum (from a panel of 16) is 6 – of which you would knock out the tom and bottom quote and average four.

6) RBC doesn't see a need for any new products and thinks that if the need arises, banks will ask. They do not think that the BBA could drum up interest in new products we create without knowing there is solid demand.

- RBC feel they are bigger players in the US Dollar market then Abbey National, West LB and Rabobank and feel they should be on the USD panel. On the strength of the most recent data (to be presented to the LIBOR panel on 27/6/05) they are right about being more active in the market than current USD LIBOR contributors Abbey and West LB. RBC rank 13th, but Rabobank rank 7th.

- RBC are committed to London, they have bought larger premises and expanded their balance sheet for RBC Europe, which operates out of London. They contend that they have a lot of dollar activity through their Channel Is. Operations that don't make it onto their quarterly reports. They offered to share this data with the BBA on a confidential basis.

- They wish to lobby to be added to the USD panel. Alex and I offered to represent their views to the panel, making it very clear that the final decision lies with the FX/MM panel, acting on the LIBOR panel recommendation. We discouraged active lobbying.

Bank: **Commonwealth Bank of Australia**
Attendees: (Tony Lee) Adrian Spain and Guy Chinery
Date: 15/06/05
Contributors to: AUD, NZD
Notes:

1) The BBA LIBOR fixing process works well. Likes the Christmas schedule for fixing and valuation dates we produce each year. We confirmed that we will continue producing this.

2) There's not a lot of liquidity in the NZD market, but the quotes from contributors are accurate. Almost all activity is cash, there are almost no local NZ derivatives.

3) CBA don't have a telerate terminal, so rates are submitted by email, which is not ideal, as email servers are prone to crash. Hopefully this will self-solve as telerate systems are moved to Reuters technology – CBA have Reuters.

   Moving the calculation basis off-quarter is helpful, as all activity is either exaggeratedly increased or decreased around quarter ends.

4) No comments

5) CBA have good business continuity plans. If we can't get a good fix due to a disaster, we should declare no fix for that day and try for the next day.

6) They will consult with colleagues and get back to us.

Bank: **Soc Gen**
Attendees: Bob Taylor – Senior Money Market Dealer
Date: 20/06/05
Contributors to: CHF
Notes:

1) The BBA LIBOR fixing process works well.

2) The CHF fix is very tight. The Swiss central bank has a 3 month target rate and if there is no change anticipated in this rate, LIBOR will be set extremely close to it. Soc Gen trade USD and EUR from Paris, and GBP, YEN and CHF from London. This is OK however as they are only on the CHF panel and thus they don't fall foul of the clause in the LIBOR definition which states that all trades forming part of LIBOR have to be booked through London.

3) Soc Gen input their BBA LIBOR data directly into a Telerate terminal. They contribute EUR rates (but only for information – see above), these are the same as their EURIBOR rates and are sourced from Paris, and would therefore be ineligible for LIBOR on 2 counts (1 – not London booked trades, 2 – the data is as at 10am London time, not "just before 11")

4) No comments

5) Soc Gen have tested their back-up rate setting process, Bob went to their back-up in France and entered rates to Telerate, all worked fine.

6) Soc Gen don't see a need for any new products.

Bank: **Lloyds TSB**
Attendees: Clive Jones – Senior Manager
Date: 20/06/05
Contributors to: AUD, CAD, CHF, DKK, EUR, GBP, JPY, NZD, USD
Notes:

1) The BBA LIBOR fixing process works well. There is much less controversy over fixings nowadays. Clive thinks there is more discussion to come on what constitutes "Reasonable market size".

2) There have been comments in the market – specifically at the London Market Makers Assoc. that there is lessening depth and turnover in the market, especially around 3 month quotes. Clive thinks this is down to the yield curves.

3) Current BBA LIBOR definitions are fine. The definitions should be left as they are.

4) No comments

5) If there is a disaster and BBA LIBOR can't be formed, roll forward to the next day for a rate, don't use the previous day. Possibly in a worst case scenario, the rate could be set behind close doors by a panel of wise men.

6) No comments

Bank: **Citigroup**
Attendees: Adrian Gray – European Treasurer, Andy Thursfield – EuropeanTreasury Desk Head
Date: 21/06/05
Contributors to: CHF, EUR, JPY, USD
Notes:

1) The BBA LIBOR fixing process is stable and efficient.

2) EURIBOR is preferred over BBA Euro LIBOR, however Euro LIBOR is used for pricing overnight on client call accounts. There is less credit discrimination between EURIBOR contributors than among Sterling LIBOR contributors, therefore the Euro LIBOR rates are closer to the "real" rate. Apparently the Bank of Japan and Ministry of Finance "have made it clear" that they don't want to see negative BBA YEN LIBOR rates being set, even if this would be reflective of reality.

3) Citigroup use Reuters for data-entry jobs on the trading desks. They suffer from software conflicts between in house systems, Reuters systems and Telerate systems, thus some traders prefer to use the telephone to contribute rates.

4) No comments

5) There really should be a BBA LIBOR fix each day, even if it is delayed, and even if only 4-6 banks enter the rate-fixing process.

6) Citigroup don't see any need for new products.

Bank: **Banca Intesa**
Attendees: Paolo Comboni – Asst. General Manager – Head of Treasury
Date: 23/06/05
Contributors to: NON–CONTRIBUTOR, BUT SITS ON THE LIBOR PANEL
Notes:

1) The process is fine.

2) He strongly suspects UBS of submitted inflated market activity statistics for the review process. Perhaps there is some double-counting?

Some banks always quote high or low. It is not always possible to get a bank to deal at the price is quotes for the LIBOR setting process.

Bank credit ratings in general are slipping, and liquidity in the market is drying up. Both of these will lead to the quote for BBA LIBOR gradually rising.

3) No comments.

4) No comments

5) 4 banks is the minimum for a panel. In times of trouble, banks will pull together and not try to gain an advantage, so one can form a reliable rate from fewer contributors. He notes that while disaster recovery sites *in London* are all very well, in the event of a disaster staff simply will not go to them, even if the transport infrastructure is still operating.

There really should be a BBA LIBOR fix each day, even if it is delayed.

6) No comments.

APPENDIX A.

AGENDA

1. General impressions on how the BBA LIBOR panel process has worked over the last year – does anything need fixing?

2. View of the quality of market fixings- generally and specifically?

3. Any other observations on BBA LIBOR?

   - can the definition be improved?

   - are precise descriptions of "just before 11AM" or "reasonable marketable size" possible? Is it desirable to have precise definitions?

   - Is the new basis for reporting market activity an improvement, both in terms of the reporting period and what transactions should be included? (see appendix. 1)

4. What other issues should be discussed by the FX & MM Committee in the near future?

5. Does your bank have business continuity procedures in place to ensure that their contribution into the BBA LIBOR rate setting process is not interrupted?

6. Are there any new data products you would like to see the BBA introduce? Or are there any existing products for which you can see greater potential? If so:

   - Is there wide demand?

   - would you support the BBA in the research and development?

   - is this a commercially viable proposition? Would you buy it?